

## Message Text

CONFIDENTIAL

PAGE 01 LONDON 1800Z 01 OF 02 212034Z

63

ACTION EB-07

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 AID-05

CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01 AF-06 ARA-06

EA-07 EUR-12 NEA-10 AGR-05 IO-10 OIC-02 SAM-01 USIE-00

INRE-00 NSCE-00 SSO-00 /119 W  
----- 114613

O R 212018Z NOV 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 6799

INFO AMEMBASSY CANBERRA

AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMEMBASSY BUJUMBURA

AMEMBASSY BOGOTA

AMEMBASSY SAN JOSE

AMEMBASSY SANTO DOMINGO

AMEMBASSY QUITO

AMEMBASSY SAN SALVADOR

AMEMBASSY ADDIS ABABA

AMEMBASSY ACCRA

AMEMBASSY GUATEMALA

AMEMBASSY CONAKRY

AMEMBASSY PORT AU PRINCE

AMEMBASSY TEGUCIGALPA

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMEMBASSY NAIROBI

AMEMBASSY MONROVIA

AMEMBASSY MEXICO

AMEMBASSY MANAGUA

AMEMBASSY YAOUNDE

AMEMBASSY BANGUI

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 1800Z 01 OF 02 212034Z

AMEMBASSY COTONOU

AMEMBASSY LIBREVILLE  
AMEMBASSY ABIDJAN  
AMEMBASSY TANANARIVE  
AMEMBASSY LOME  
AMEMBASSY PANAMA  
AMEMBASSY ASUNCION  
AMEMBASSY LIMA  
AMEMBASSY LISBON  
AMEMBASSY KIGALI  
AMEMBASSY FREETOWN  
AMEMBASSY DAR ES SALAAM  
AMEMBASSY PORT OF SPAIN  
AMEMBASSY CARACAS  
AMEMBASSY KINSHASA  
AMEMBASSY LAGOS  
AMEMBASSY LA PAZ  
USMISSION GENEVA  
USMISSION EC BRUSSELS  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY LUXEMBOURG  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY THE HAGUE  
USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 18002

E.O. LL652: GDS

TAGS: PFOR, ETRD,EAGR, AOUS

SUBJECT: COFFEE -- NEGOTIATIONS GO INTO FOURTH AND  
LAST WEEK WITH FUNDAMENTAL ISSUES STILL  
UNRESOLVED.

REF: A) LONDON 17543 (B) LONDON 17617

C) LONDON 17794

L. SUMMARY: THIRD WEEK OF NEGOTIATIONS SAW NO FURTHER  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 18002 01 OF 02 212034Z

PROGRESS ON MAJOR UNRESOLVED ISSUES, PRIMARILY DUE TO  
PRODUCERS HESITATION TO DISCUSS CONTENTIOUS ISSUES.  
U.S. SPONSORED RESOLUTION ADOPTED AT THE NOVEMBER 20  
SESSION OF COUNCIL SET FIRM DEADLINE OF 1:00 PM MONDAY  
24TH OF NOVEMBER FOR CONTACT GROUP AGREEMENT ON SUB-  
STANTIVE, ECOLOGIC PROVISIONS FOR NEW AGREEMENT. THE  
CONTACT GROUP AND PRODUCER GROUP WILL CONTINUE WORK  
THROUGH WEEKEND TO CONSIDER THE MAIN UNRESOLVED ISSUES

INCLUDING:

- A) DIVISION OF MARKET SHARES AMONG PRODUCERS.
- B) PROTECTION FOR CONSUMERS AGAINST SHORTFALLS.

END SUMMARY.

2. DIVISION OF MARKET SHARES -- PRODUCERS HAVE MET SEVERAL TIMES THIS WEEK AND WILL CONTINUE TO MEET THROUGH THE WEEKEND IN AN ATTEMPT TO RESOLVE THE THORNY PROBLEM OF THE DIVISION OF BASIC MARKET SHARES. THERE IS NO EVIDENCE THAT BRAZIL AND THE AFRICAN PRODUCERS HAVE NARROWED THE GAP BETWEEN THEIR INITIAL POSITIONS. AFRICAN PRODUCERS HAVE GIVEN TACTICAL SUPPORT TO COLSUMER POSITIONS TO GAIN LEVERAGE WITH BRAZIL ON THIS FUNDAMENTAL QUESTION. CENTRAL AMERICAN PRODUCERS HAVE MET SEPARATELY AND STILL CANNOT AGREE ON COMMON NEGOTIATING POSITION. DESPITE THE LACK OF PROGRESS, SEVERAL LARGE PRODUCING COUNTRIES HAVE EXPRESSED OPTIMISM THAT THE ISSUE CAN BE RESOLVED.

3. PROTECTION FOR CONSUMERS AGAINST SHORTFALLS - TWO SUGGESTIONS HAVE BEEN BROUGHT FORWARD TO PROTECT CONSUMERS AGAINST PAPER QUOTAS:

- A) A US PROPOSAL DEFINING SHORTFALLS AS THE DIFFERENCE BETWEEN EXPORTS AND QUOTA ENTITLEMENT WITH AN INCENTIVE FOR PRODUCERS TO DECLARE THE SHORTFALL IN TIME FOR REDISTRIBUTION.
- B) AN IDEA EXPRESSED IN CONSUMER CAUCUS RELATING THE VARIABLE PORTION OF THE QUOTA TO EXPORT PERFORMANCE.

THE FRENCH DEL HAS PRODUCED A PAPER MELDING BOTH CONCEPTS AND HAS CIRCULATED THE PAPER INFORMALLY TO BRAZIL AND IMPORTANT CONSUMERS. IN THE PAST BRAZIL HAS STRINGENTLY OPPOSED BOTH CONCEPTS ALTHOUGH THEY HAVE CONFIDENTIAL

CONFIDENTIAL

PAGE 04 LONDON 18002 01 OF 02 212034Z

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LONDON 18002 02 OF 02 212233Z

63

ACTION EB-07

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 AID-05

CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01 AF-06 ARA-06

EA-07 EUR-12 NEA-10 AGR-05 IO-10 OIC-02 SAM-01 USIE-00

INRE-00 NSCE-00 SSO-00 /119 W

----- 116164

O R 212018Z NOV 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 6800

INFO AMEMBASSY CANBERRA

AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMEMBASSY BUJUMBURA

AMEMBASSY BOGOTA

AMEMBASSY SAN JOSE

AMEMBASSY SANTO DOMINGO

AMEMBASSY QUITO

AMEMBASSY SAN SALVADOR

AMEMBASSY ADDIS ABABA

AMEMBASSY ACCRA

AMEMBASSY GUATEMALA

AMEMBASSY CONAKRY

AMEMBASSY PORT AU PRINCE

AMEMBASSY TEGUCIGALPA

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMEMBASSY NAIROBI

AMEMBASSY MONROVIA

AMEMBASSY MEXICO

AMEMBASSY MANAGUA

AMEMBASSY YAOUNDE

AMEMBASSY BANGUI

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 1800Z 02 OF 02 212233Z

AMEMBASSY COTONOU

AMEMBASSY LIBREVILLE

AMEMBASSY ABIDJAN

AMEMBASSY TANANARIVE

AMEMBASSY LOME

AMEMBASSY PANAMA

AMEMBASSY ASUNCION

AMEMBASSY LIMA  
AMEMBASSY LISBON  
AMEMBASSY KIGALI  
AMEMBASSY FREETOWN  
AMEMBASSY DAR ES SALAAM  
AMEMBASSY PORT OF SPAIN  
AMEMBASSY CARACAS  
AMEMBASSY KINSHASA  
AMEMBASSY LAGOS  
AMEMBASSY LA PAZ  
USMISSION GENEVA  
USMISSION EC BRUSSELS  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY LUXEMBOURG  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY THE HAGUE  
USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 02 OF 02 LONDON 18002

NOT RECEIVED SUPPORT FROM OTHER PRODUCER DELEGATIONS.

4. THE FRENCH PROPOSAL CONTAINS THE ESSENCE OF THE  
US PROPOSED SHORTFALL PROVISION. IN ADDITION,  
THE FLEXIBLE PORTION OF THE QUOTA WOULD BE BASED ON  
VERIFIED STOCKS AND EXPORT PERFORMANCE WITH EQUAL  
WEIGHT ASSIGNED TO EACH CRITERIA. THIS PAPER CAN BE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 18002 02 OF 02 212233Z

EXPECTED TO PPOVOKE DIFFICULT NEGOTIATION IN THE CON-  
TACT GROUP OVER THE WEEKEND.

5. WITH NO BREAK IN IMPASSE ON ABOVE ISSUES, CONFER-  
ENCE HAS STILL MADE PROGRESS IN OTHER AREAS. THERE IS  
NOW A CONSENSUS THAT AS A RESULT OF THE BRAZIL FROST  
ANY NEW AGREEMENT WILL MOST LIKELY BEGIN WITHOUT QUOTAS  
IN EFFECT, AND CONSIDERABLE PROGRESS HAS BEEN MADE  
TOWARD DEVELOPING A SYSTEM FOR INTRODUCTION OF QUOTAS  
AT A LATER STAGE WHEN CONDITIONS SO INDICATE. PROGRESS  
IS BEING MADE AS WELL IN A NUMBER OF TECHNICAL WORKING  
GROUPS.

6. BY THURSDAY PLENARY SESSION, A SENSE OF DRIFT HAD

TAKEN OVER, WITH SMALLER MEMBERS PARTICULARLY DEMORALIZED AT THE LACK OF ANY REAL BREAKTHROUGH. FACING THE PROSPECT OF MORE OF THE SAME IN THE FOURTH AND FINAL WEEK OF THE NEGOTIATION, USDEL PROPOSED THAT THE CONTACT GROUP'S MANDATE BE EXTENDED TO PERMIT WORK THROUGH WEEKEND BUT WITH A FIRM DEADLINE ON MONDAY FOR CONSENSUS ON SUBSTANTIVE ECONOMIC PROVISIONS. RWANDA AND LIBERIA GAVE ENTHUSIASTIC SUPPORT, FOLLOWED BY OTHERS, INCLUDING BRAZIL.

RICHARDSON

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COFFEE, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 NOV 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON18002  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750406-0827  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751121/aaaaasdi.tel  
**Line Count:** 288  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LONDON 17543, 75 LONDON 17617  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28 APR 2003 by BoyleJA>; APPROVED <29 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COFFEE -- NEGOTIATIONS GO INTO FOURTH AND LAST WEEK WITH FUNDAMENTAL ISSUES STILL  
**TAGS:** PFOR, ETRD, EAGR, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006